

2026 Legislative Investments and Policy Changes Related to Children and Families

Child Care and Early Education

Change	Agency	Impact
Funding	DCYF	\$2.62 million in FY27 and \$7.15 million per biennium ongoing to enhance program integrity in the Child Care Assistance Program (CCAP). This includes additional investigation and data analytics capacity at the Department of Children, Youth, and Families (DCYF), increased funding for the fraud prevention and investigations grant, and requiring training for childcare providers receiving CCAP.
Funding	DCYF	\$3.03 million in FY27 and \$2.31 million per biennium ongoing for childcare center and family childcare licensing standards modernization. The funding is for DCYF administration, provider training, technology changes and additional required fire marshal inspections. The updated licensing standards are effective July 1, 2027.
Policy	DCYF	\$2 million in general obligation bonds for early childhood learning facilities.

Child Safety & Permanency

Change	Agency	Impact
Funding	DCYF	\$250,000 in one-time funding in FY 2027 for forensic interview training scholarships for child welfare professionals.
Funding	DHS DCYF	\$212,000 in FY27 and \$441,000 in FY28 for DCYF, and \$304,000 in FY27 and \$358,000 in FY28 for the Department of Human Services (DHS) to develop a framework for licensing crisis nurseries currently subject to both childcare and children's residential facility licensing. The framework will be reported to the Legislature in 2028 for its consideration.
Funding	DCYF	\$15 million in one-time funding in FY27 for counties to implement the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. This will support staffing and the implementation efforts for required cases.

Policy	MDE DCYF	Districts operating school-age care, youth after-school enrichment, or other before-and after-school community education programs must ensure that children in foster care receive priority enrollment.
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Food Security

Change	Agency	Impact
Funding	DCYF	\$10.7 million in FY 2027 for an allocation to counties to help cover the lost federal reimbursement for SNAP due to H.R. 1. Beginning Oct. 1, 2026 federal administrative reimbursement for SNAP will decline from 50% to 25%.
Funding	DCYF	Investments in additional training, quality assurance, and SNAP policy staff at DCYF to improve the administration of SNAP and other economic assistance programs. The legislation includes ongoing funding to support the MAXIS (IT eligibility system for programs including SNAP) integration layer, a new MAXIS rules engine, web-enabled user interface overlays on the MAXIS green screens, and other investments to improve policy manuals, MNbenefits, and income verification technology.
Funding	DCYF	\$4.9 million in one-time funding in FY27 for grants to food banks and Tribal Nations, and another \$5 million in one-time funding in FY 2027 for food shelves under the Minnesota Food Shelf Program (on top of base food shelf appropriations).

Education

Change	Agency	Impact
Funding	MDE	<p>Updates for FY27 only, Compensatory Revenue will be based on the higher of:</p> <ul style="list-style-type: none"> The direct certification only formula enacted in 2023, or Prorated FY26 revenue adjusted for fall enrollment. <p>FY27 entitlements use the February 2026 forecast plus a \$10 million investment from the 2026 Legislature. The 40% building allocation requirement is extended to FY28.</p>
Policy	MDE	<p>Enables a November election where voters will be asked to consider a constitutional amendment to allow an increase to be paid from the permanent school trust fund (PSTF) to schools, districts, and charters and to increase the statutory distribution amount up to 4.5%.</p> <ul style="list-style-type: none"> Tribally controlled schools would see future increased appropriations from PSTF if the constitutional amendment is passed on the ballot in November.

Funding	MDE	<p>Provides a new school district aid stream to reduce a portion of voter approved operating referendum in districts with seasonal recreational property.</p> <ul style="list-style-type: none"> One-year FY27 aid of \$2.542 million for one-time district seasonal tax base replacement aid.
Funding	MDE	<p>Expands capital operating revenue usage to pay utility service costs. Transfers school district funds from building construction fund to the reserved account for operating capital for West St. Paul-Mendota Heights-Eagan and Maple Lake.</p>
Funding	MDE	<p>Requires that by June 30, 2027 each school district or charter school board adopt a policy implementing an anonymous threat-reporting system and notify MDE whether they:</p> <ul style="list-style-type: none"> Use a local system, Use and promote the statewide system, or Use neither system. <p>MDE will report districts' selections annually to the Legislature beginning Jan. 15, 2028. Schools choosing to use a reporting system must implement either the local or statewide option by July 1, 2028.</p> <p>Provides \$4 million one-time in FY27 for the Anonymous Threat Reporting System Grants; administered by the Minnesota Department of Public Safety (DPS).</p> <ul style="list-style-type: none"> Grants available up to \$10,000 per district and up to \$2,500 per charter, nonpublic, and Tribally controlled schools. Funds may be used to fund expenses associated with the development, purchase, implementation, operation and maintenance of an anonymous threat reporting system, including staff compensation. Bureau of Criminal Apprehension (BCA) receives \$1 million for staffing and operating costs related to threat assessment and investigation.
Funding	MDE	<p>\$1.45 million annually to increase investigator capacity of the Student Maltreatment Program (SMP) team.</p>
Policy	MDE	<p>Outlines grooming prevention and criminal laws:</p> <ul style="list-style-type: none"> The Professional Educators Licensing and Standards Board (PELSB) granted authority to suspend or revoke a teacher's license for license holders convicted of grooming. Requires local police departments and county sheriffs to notify the appropriate statewide staff licensing agency whenever a licensed educator is charged with certain crimes, including grooming. DCYF will update mandated report training to align with these policy changes. Adds grooming as a felony in the criminal sexual conduct statute with new provisions addressing cases involving school employees.

Policy	MDE	<p>Updates the Minnesota Reading to Ensure Academic Development (READ) Act:</p> <ul style="list-style-type: none"> • Amends the definition of literacy specialist to clarify that a district literacy specialist can be any teacher license holder. • Amends the definition of oral language to clarify that "oral language" includes "expressive" and "receptive" languages. • Amends the definition of "parent" within the parameters of the READ Act statute to mean "parent or legal guardian." • Removes screening statute repetitive language, English learner dyslexia screening modified to align with vendor assessment guidelines. • Makes clear that students not reading at grade level in grades 4 and above must continue to be annually screened and their parents notified. • Requires that local literacy plans, beginning school year (SY) 2026-27, must include information on how schools will use library media centers to complement foundational reading skills. • Requires student literacy screening accommodations must be aligned to the student's documented accommodation plan. • Updates hours of instruction reduction for the READ Act professional development time extended to SY 2026-27; early childhood educator candidates are exempt from additional training if they graduated after a certain date. • Codifies accessibility standards for professional development and curricular resources. • Requires MDE to conduct an ongoing review of literacy materials requirements.
Funding	MDE	\$262,000 in FY27, \$696,000 in FY28-29 to MDE for data sharing preparation related to the statewide Office of Inspector General (OIG).
Policy	MDE	Requires teacher prep programs should include supervised early literacy field experience.
Policy	MDE	Allows paraprofessionals in Title I settings to use a competency grid to demonstrate qualifications. MDE will release guidance for schools on how to validate these competencies by Aug. 1, 2026.
Policy	MDE	Requires each district operating a school-age community education program to give the highest priority for enrollment to children in foster care. Allows a district to require a letter or documentation verifying that a child is in foster care.
Funding	MDE	\$2 million for library construction grants. Available to public library jurisdictions for renovation, construction and improvement projects that increase access.
Funding	MDE	\$6.5 million for the East Grand Forks Education Learning Center and \$808,000 for the Lower Sioux Indian Community Dakota Language Immersion School. Grant dollars are to be used to predesign, design, construct, renovate, furnish and equip

		a regional education learning center to serve students in a Level 4 regional special education program.
Policy	MDE	Extends the gender-neutral single-user restroom grant expenditure period to the end of FY29 and revises the MDE reporting deadline.
Funding	OHE	Invests \$1.5 million in the Fostering Independence Grant that funds foster youth attending Minnesota State Colleges and Universities.

Health Care

Change	Agency	Impact
Funding	DHS	Changes retroactive health coverage from three months to two months to meet new requirements in the federal H.R. 1 legislation. Invest general fund dollars to extend three months of retroactive coverage for one year, resulting in the two months of retroactive coverage being effective Jan. 1, 2028.
Funding	MDH	\$205 million in FY27 and \$500 million in reserve to stabilize Hennepin County Medical Center (HCMC). This investment was paired with a task force to support the development of a plan to stabilize HCMC.
Funding	MDH	\$30 million in FY27 for hospital and community-based provider stabilization grants and an increase in rates for critical access hospitals.

Housing and Homelessness

Change	Agency	Impact
Funding	MHFA	\$46 million in FY26-27 and ongoing for the Bring it Home Rental Assistance Program.
Funding	MHFA	\$5.5 million in FY26-27 and ongoing for Homework Starts with Home rent assistance.
Funding	MHFA	\$66.8 million in FY26-27 and \$21.4 million in FY28-29 and ongoing for the Family Homeless Prevention and Assistance Program (FHPAP).
Funding	MHFA	\$3.77 million in FY26-27 and \$1.77 million in FY28-29 and ongoing for the Home Ownership Assistance Fund.
Funding	MHFA	\$1 million for the Family Stabilization Plan (Build Wealth MN).

Mental Health

Change	Agency	Impact
Funding	MDE	\$3.8 million in FY27 (available until June 30, 2029) for Mobile Crisis Grants.
Funding	MDE	\$12.5 million one-time for School-Linked Behavioral Health Grants. Available in FY27 and dollars able to be expended until June 30, 2029
Policy	AGO	Requires parental consent for Minnesota children under 16 to obtain a social media account. The account defaults to the highest privacy settings that allow parents to limit their child's usage.

Other

Change	Agency	Impact
Funding	DCYF DHS	<p>In addition to supporting information technology investments from the governor's budget, the systems modernization bill includes the establishment of a new human services systems modernization fund that will receive ongoing appropriations from future budget surpluses, a new human services systems modernization advisory council, and a new legislative commission on human services systems.</p> <p>The legislation also includes \$10 million in one-time funding to support county information technology initiatives, \$11.4 million in one-time funding for the human services systems modernization fund for future modernization efforts, staff to support cross-agency systems modernization efforts, and a study to explore the development of a cross-agency, universal human services eligibility system. The total investment in the IT Modernization bill was \$75 million in FY26-27 and \$15 million per biennium ongoing.</p>
Funding	DCYF DHS	\$2.5 million for a study on Minnesota's human services structure, including the roles and responsibilities of the state, county governments, and Tribal Nations. The study will review the administration of programs at DCYF and DHS.
Funding	N/A	Establishes a statewide Office of Inspector General (OIG). The bill establishes a statewide office with the primary goal of eliminating fraud and misuse in state programs. The MDE OIG will transfer to the new agency, while the DHS and DCYF OIGs will remain at their agencies. The governor will appoint the inspector general after considering the advice of a legislative commission. The office will have the authority to initiate independent investigations and must issue public reports about completed investigations and corrective actions taken. The bill includes some funding for state agency OIG capacity to collaborate with the statewide OIG.